RAJYA SABHA

Tuesday, the 4th *December,* 2001/13 *Agrahayana,* 1923 *(Saka)*

The House met at eleven of the clock, **Mr. Chairman** *in the Chair.*

ORAL ANSWERS TO QUESTIONS

Report of the S.L. Kapoor Committee on Credit to SSI

*201. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of FINANCE be pleased to state:

(a) whether the Committee on Credit to Small Scale Sector under the chairmanship of Shri S.L. Kapur has submitted its report to Government;

(b) if so, the details of the main recommendations;

(c) whether Government have examined the report;

(d) if so, action proposed to be taken by Government thereon; and

(e) the other measures proposed to be taken by which S.S.I. funds reach the grassroot level?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (e) A Statement is laid on the Table of the House.

Statement

Reserve Bank of India (RBI) had in December, 1997 appointed a One Man Committee headed by Shri S.L. Kapur, the then Member, Board for Industrial & Financial Reconstruction (BIFR) to review inter-alia (i) the working of credit delivery system of small scale industries with a view to making the system more effective, simple and efficient to administer and (ii) to make suggestions for simplification and improvements in systems and procedures. The Committee submitted its report to RBI on 30th June, 1998 which contains 126 recommendations. Out of 126 recommendations, 103 have been examined by the RBI and decision taken thereon. Banks/Financial Institutions and other

agencies have already implemented 86 recommendations. Some of the important measures taken pursuant to the recommendations of the Committee include:

(i) De-linking of SIDBI from IDBI.

(ii) Opening of more specialized Branches.

(iii) Enhancement in the limits of Composite Loan from Rs. 2 lakhs to Rs. 5 lakhs.

(iv) Setting up of more DRTs.

(v) Introduction of Credit Guarantee Scheme.

(vi) Raising the exemption limit for collateral security from Rs. 25,000 to Rs. 5 lakhs.

Seventeen Recommendations have not been found feasible for acceptable at this stage. However, review of policies and procedures is a continuous exercise. Remaining 23 recommendations are under examination at various stages. Other measures taken by Government and RBI for promotion and development of Small Scale Industry inter-alia include the following:

(i) RBI advised banks to follow the procedure of sanctioning working capital limits computed on the basis of minimum of 20% of the projected annual turnover to all SSI Units requiring aggregate fund based working capital limits upto Rs. 5 crores

(ii) RBI Advised banks to ensure that out of their total funds lent to SSI Sector, at least 40% should be made available to units with investment in Plant & Machinery upto Rs. 5 lakhs and 20% should be made available to units with investment in plant and machinery between Rs. 5 lakhs and Rs. 25 lakhs.

(iii) Increased the Project Cost Limit under National Equity Fund (NEF) Scheme from Rs. 10 lakh to Rs. 25 lakh (Union Budget 2000-2001) and further to Rs. 50 lakh. Like-wise Soft Loan component on NEF has also been raised to Rs. 10 lakhs.

(iv) RBI advised Banks to fix sub-limits within overall limit to the large borrowers specifically for meeting the payment obligations in respect of purchases from SSI.

(v) Introduced Credit Linked Capital Subsidy for the upgradation of the Small Scale Industries.

(vi) Enhanced limits of Composite Loan to Rs. 25 lakhs, and raised exemption limit for collateral security to Rs. 5 lakhs.

SHRI C.P. THIRUNAVUKKARASU: Sir, the Government of India's policy on small-scale industries has always been ad hoc, piecemeal and problem-solving. The problem that is being faced by the small-scale industries is finance, industrial sickness and technological backwardness. More than two lakh small-scale units are sick. Till today, we are not able to ascertain the reasons for the same. The various financial schemes announced by the Government are only on paper, meaningless and are not being implemented. These schemes are not going to the root of the problem. Shri K.C. Pant, the Deputy Chairman of the Planning Commission, has said, I am glad to inform you that the proposed set up Credit Guarantee Fund, with the contribution of the Government of India, SIDBI, in the ratio of 4:1, to provide 75 per cent of credit guarantee to loans up to Rs. 10 lakhs to small-scale units is under active consideration. But the Report of S.L. Kapur, which was placed on the Table of the House on 12th June, 2001, states, though announcement of Credit Guarantee Scheme in August last year was a step in the right direction, the available statistics show that it has not succeeded in reaching the sufficient number of SSI units...—he further noted— ...That only 1,276 projects have been accorded approval for guarantee cover before end of 2nd of April, 2001. There is a call for synergy between the commercial banks and the SIDBI to promote it at the grass-root level. The loan limit, under the scheme, up to Rs. 25 lakh borrowers, is 75 per cent of the renewals; availability of loan is up to Rs. 1 lakh only. Though the eligibility of loan limit has been enhanced to Rs. 25 lakhs, they are getting only Rs. 1 lakh as loan. I want to know from the hon. Minister whether it is not true that the statement of Shri K.C. Pant contradicts the statement of Shri S.L. Kapur, on credit guarantee. I also want to know from the hon. Minister whether the Credit Guarantee Scheme announced for the SSI is functioning properly; and, if so, how many applications have so far been proposed and cleared. I would also like to know as to what steps the Ministry has taken to speed up the Credit Guarantee Scheme to bring light in the life of the small-scale units.

Sir, I say it with great respect that in China, the small-scale units are flourishing, but in India they are perishing, I want to know as to what is the reason.

SHRI BALASAHEB VIKHE PATIL: Sir, as far as the sickness is concerned, the hon. Member has said that more than two lakh units are sick. But, now as per the figures of August, 2000, the total number of small-scale units is 32 lakhs; and the total number of sick units is about 54,000.

With regard to the Credit Guarantee Scheme, I would like to submit that we have started it recently and it is yet to take off. But it is true that some banks are not co-operating with the applicants. So, we are monitoring it. At the same time, a number of other measures for improvement of the SSIs are also taken. We are taking steps with regard to the Credit Guarantee Scheme etc. The hon. Prime Minister had announced a package; I hope the hon. Member is fully aware of that. At the same time, the Ministry has increased the working capital limit from Rs. 2 crores to Rs. 4 crores then to Rs. 5 crores; excise duty exemption also has been increased from Rs. 30 lakhs to Rs. 1 crore. So, we have taken a number of measures...

SHRI C.P. THIRUNAVUKKARASU: Sir, my question is how many applications the Ministry has processed.

SHRI BALASAHEB VIKHE PATIL: I will collect the information...

SHRI C.P. THIRUNAVUKKARASU: How many applications the Ministry has processed subsequent to that? That is my question.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, the Credit Guarantee Scheme, which was a very courageous step taken by the Government, was started with effect from 1st August, 2000. So far, 24 eligible lending institutions have been registered for this purpose. The eligible loan limit for coverage under the scheme has been enhanced to Rs. 25 lakhs, as the hon. Member has mentioned. At the end of October, 2001, a total number of 2,143 cases have been approved by the trust, extending guarantee cover for aggregate loan of Rs. 1,633 lakhs. This is the figure. So, it is not correct to say that scheme has not taken off. Within a short span of little over one year, the scheme has taken off; applications are being received. As my colleague has just mentioned, reviewing the functioning of the credit flow to the SSI sector is a permanent item on our agenda. We meet with the bank chiefs once in six months. We had a meeting in July this year, where we had specially invited the Minister of SSI to attend the meeting. There, we discussed in detail the financing for the SSI sector. In November, I held another meeting with the bank chiefs, where again, this was a special item on the agenda. So, we are continuously reviewing the flow of credit to the SSI sector, exactly in order to take care of the concern of the hon.

Member. The schemes that we have repeatedly announced over the years are not merely confined to the paper, they are actually implemented on the ground.

SHRI C. P. THIRUNAVUKKARASU: Due to the emergence of the WTO and global marketing in the world, what will be the impact and the implications on the small-scale industries in India? Will it be helpful or will it have an adverse effect?

SHRI BALASAHEB VIKHE PATIL: Mr. Chairman, Sir, it is a fact that due to the WTO and opening up of the economy, impact on the SSI is there. But, at the same time, we are seeing that the dumping of the material should not be here. By imposing the antidumping duty and increasing custom duties, the SSI is given protection. At the same time, we are trying to boost the exports from the SSI sector. We are giving a number of other schemes for technology upgradation, and also some interest concessions on those items. Of course, there is definitely a fear amongst the SSI community that this impact will be there. But we are having various measures, delinking of the SIDBI, total subsidy for technical upgradation. That way, we are trying to give a new strategy. At the same time, the industry is not happy even after the package announced by the Prime Minister. But in totality, Sir, the growth rate of the SSI is far better than the overall industrial growth. The industrial growth rate is 4.9 per cent; but the SSI growth rate is 8.1 per cent. The growth rate of large industries is 2.6 or 2.7 per cent. So, the total growth rate of the SSI is far better. As far as employment is concerned, I can give you the figures as of today. The total employment is more than 6 per cent, but there is no retrenchment. There are some sick units also. The Government has announced a number of schemes for the sick units which have the potential to become viable. The industry is slowly coming out that way. The performance during the last quarter has been very attractive than the previous one.

SHRI C. P. THIRUNAVUKKARASU: My question was whether there was any impact of the WTO and globalisation on the SSI. (*Interruptions*)

MR. CHAIRMAN: You have already put two questions. (*Interruptions*).

DR. MANMOHAN SINGH: Mr. Chairman, Sir, an important source of project finance for the small and medium industries in the past used to be the State Finance Corporations. From whatever evidence I have seen. I find that most of the State Finance Corporations are very sick. They are burdened with a large amount of non-performing assets. Therefore, they are not able to perform their traditional functions of lending to small and medium industries. I believe,

the Government has a large number of reports from the IDBI and other agencies on the rehabilitation and reconstruction of the State Finance Corporations. Will the hon. Minister tell the House as to what he is planning to do to rehabilitate the State Finance Corporations and to deal with their large non-performing assets.

SHRI BALASAHEB VIKHE PATIL: Sir, it is a fact that the State Financial Corporations are not doing well. And it is also a fact that the State Finance Corporation NPAs are growing very fast. It is a problem which should concern everybody. We are very much concerned about that. After the amendment of the Act, some States have appointed separate Chairman and some States have appointed both Chairman and Managing Director. But still, the functioning of the State Finance Corporations is very slow. Next week, we have a meeting with all the Chairmen and Managing Directors. I have personally taken up one meeting with the State Finance Corporation authorities. But, somehow, the position pertaining to the sharing of finances with the States is very poor. So, some input in that area is required, and that question is yet to be addressed. Somehow, the State Finance Corporations are not delivering the goods. May I give some figures also? I want to say that there is a slight improvement, but total improvement is yet to come. The State Financial Corporations are not working up to the mark. Today, it is as good as nonfunctional.

SHRI ARJUN SINGH: Sir, what does this mean? We are totally at a loss to understand what he has said. Dr. Manmohan Singhji had put a very pointed question.

SHRI YASHWANT SINHA: Sir, may I supplement the answer given by my colleague? Sir, the hon. Leader of the Opposition is quite right in saying that we had a number of committees which had gone into the functioning of the State Finance Corporations. Like many institutions in the financial sector, as my colleague had just pointed out, the State Finance Corporations have also run into major problems, because the NPAs have expanded. Now, the question, basically, in regard to the revival of the State Finance Corporations, is of recapitalisation. Suggestions have been made with regard to recapitalisation of SFCs. This is a matter which we are discussing with the State Governments and I am hopeful that we would be able to resolve this problem very soon.

SHRI PREM CHAND GUPTA: Mr. Chairman, Sir, the very definition of SSIs is wrong. According to the S. L. Kapoor Committee's recommendation, the maximum exemption for collateral security has been increased from

Rs. 25,000 to Rs. 5 lakhs. 5 लाख रुपए में आज एस.एस.आई. लगती है? आपने जो बयान दिया है बिजनैस स्टैंडर्ड में, मैं उसे क्वोट कर रहा हूं। आपने एक स्टेटमेंट दी, उसमें आपने कहा है कि-Banks to focus on SSIs Agriculture and small-scale borrowers to enhance credit flow. आपने उसमें बात की कि क्रेडिट कार्ड दिया जाएगा, स्मॉल बिजनैसमैन को, एस.एस.आई. यूनिट्स को और सैल्फ-एम्पलॉयड लोगों को और 2 लाख रुपए तक की लोन लिमिट उनको दी जाएगी।

मान्यवर, मैं यह जानना चाहता हूं कि क्या 2 लाख रुपए में या 5 लाख रुपए में कोई स्मॉल स्केल यूनिट या कोई विलेज यूनिट लग सकती है क्या? यह तो सही नहीं है। पहले आप एक कंसोलिडेटेड स्कीम बनाइए और स्मॉल स्केल की डैफिनेशन को देखिए कि स्मॉल स्केल का मतलब क्या है। इसके बारे में मैं आपसे जानना चाहता हूं कि क्या सरकार की कोई ऐसी स्कीम है कि जिसमें स्मॉल स्केल की डैफिनेशन को रि-डिफाइन किया जाए क्योंकि आज से 25 साल पहले जो पॉलिसी बनी थी, वह आज काम नहीं आने वाली है। चीन में आज क्या हो रहा है? Ninety-five per cent of their large industries are based on support industries. Whereas what are we doing here? We are still sticking to the five lakh exemption limit. 5 लाख रुपए में किसी फैक्टरी का एक टॉयलेट नहीं बन सकता, प्रोडक्शन फैसिलिटीज़ ऐस्टेब्लिश करना तो अलग बात है। आपकी यह जो स्कीम है, एस.एल. कपूर कमेटी ने जो रिकमंडेशंस कीं, उसमें सिडबी को आई.डी.बी.आई. से अलग कर दिया गया, how does it help the SSIs? How is the opening of more specialized Branches going to help the small-scale borrowers? इससे आप एन.पी.ए. क्रियेट करने की कोशिश कर रहे हैं। आप और इम्पलॉयमेंट देंगे, जो फंड लोन के रूप में इंडस्ट्री को मिलना चाहिए, वह तनख्वाह में बंटेगा। आप यह बताइए कि क्या आपकी कोई ऐसी स्कीम है जिसमें आप स्मॉल स्केल की डेफिनेशन को रिव्यू करने की सोच रहे हैं?

श्री बालासाहेब विखे पाटील: सभापति जी, डेफिनेशन की बात तो यह है कि project ceiling has been raised from Rs. 25 lakhs to Rs. 50 lakhs. यह जो पांच लाख की बात आप कह रहे हैं वह तो कम्पोजिट लोन स्कीम है जो कि एस.एस.आई. के अंदर आती है, उसको लघु उद्योग क्रेडिट कार्ड तीन साल के लिए दिया जायेगा जिससे कि उनको हर बार बैंक में आने की जरूरत नहीं पड़े। यदि समय पर जरूरत हो तो it can be reviewed और उसका विस्तार भी हो सकता है, लेकिन एक शुरुआत हुई है। अगर अनुरोध होगा तो उसका विस्तार हो सकता है, उसकी बढ़ोत्तरी हो सकती है। जो टर्न ओवर की बात कही है वह तो दो करोड़ 1998 में था, बाद में उसे चार करोड़ किया और अभी टर्न ओवर पांच करोड़ तक का है। इसीलिए यह समझना कि ...(व्यवधान)...

श्री प्रेमचन्द गुप्ता: सर, मैं टर्न ओवर की बात नहीं कर रहा हूं। सरकार ने जो सवाल का उत्तर

दिया है उसकी बात कर रहा हूं। प्रश्न के उत्तर में पाइंट नम्बर 6 में है, raising the exemption limit for collateral security from Rs. 25,000/- to Rs. 5 lakhs. It is stated in the reply. अगर आप पांच लाख रुपये के ऊपर कोलेटरल सेक्योरिटी एक्जम्पशन करते हैं तो It exposes your schemes. आज कोलेटरल एक चीज़ को लेती है आप लोन देकर ही तो कोलेटरल लेंगे?

श्री बालासाहेब विखे पाटील: सर, कोलेटरल एक्जम्पशन की जो बात है, वह पहले दो लाख थी, अभी पांच लाख के लिए कोलेटरल की जरूरत नहीं है। उसी के लिए कपूर कमेटी की सिफारिश दो लाख की थी, हमने उसको पांच लाख कर दिया है। जो पांच-छह कमेटी बनाई थी, कोहली कमेटी, नायक कमेटी और ...(व्यवधान)... कमेटीज से भी ज्यादा इसमें कुछ बातें कही गई हैं। ...(व्यवधान)...

श्री प्रेमचन्द गुप्ता: सभापति महोदय, मंत्री जी कमेटी पर कमेटी बनाते रहेंगे। कमेटी बनाने से तो किसी समस्या का समाधान नहीं है। आप इसका जवाब तो दीजिए। ...(व्यवधान)...

श्री यशवंत सिन्हा: सभापति महोदय, मैं सप्लीमेंट करता हूं। जिस बिन्दु के ऊपर माननीय सदस्य ने ध्यान आकृष्ट किया है वह अत्यंत महत्वपूर्ण बिन्दु है। स्माल स्केल इंडस्ट्री की डेफिनेशन क्या हो, इसके ऊपर समय-समय पर विवाद उठता रहा है। आपको याद होगा कि एक समय आया था जब उसको तीन करोड़ किया गया था और उसका बहुत प्रतिवाद हुआ, विरोध हुआ और फिर वापस सरकार ने उसको एक करोड़ किया। टायनी यूनिट का डेफिनेशन अभी हम लोगों ने बढ़ाकर 25 लाख रुपये तक कर दिया है तो विभिन्न प्रकार की सहायता के लिए विभिन्न प्रकार की सीमा निर्धारित की गई है। अब जिसे कोलेटरल के बिना लोन देंगे, सभापति महोदय, इसमें बैंक एक खतरा मोल ले रहे हैं, बिना कोलेटरल के हम उनको लोन एडवान्स्ड कर के। वह 1998 में मात्र 25 हजार रुपये था। कपूर कमेटी ने सिफारिश की तो उसको बढ़ाकर हम लोगों ने 30 अगस्त, 2000 में दो लाख रुपया कर दिया। जब प्रधान मंत्री जी ने स्मॉल स्केल के लिए पैकेज घोषित किया तो दो लाख की बात छोड़ दीजिए हमने उसको बढ़ाकर पांच लाख कर दिया। अब माननीय सदस्य का कहना है कि पांच लाख में तो शायद टॉयलेट भी नहीं बन सकता है तो यह डिपेंड करता है कि वह किस प्रकार का टॉयलेट बनाना चाहते हैं। ...(व्यवधान)...

श्री प्रेमचन्द गुप्ता: मैंने कहा कि फैक्टरी का टॉयलेट नहीं बन सकता है।

श्री यशवंत सिन्हा: हां, फैक्टरी का टॉयलेट नहीं बन सकता है। वह भी निर्भर करता है कि वह टॉयलेट किस तरह का बनाना चाहते हैं। वह पांच लाख तो क्या पचास लाख में भी नहीं बन सकता है, वह महत्वपूर्ण बात नहीं है। सभापति महोदय, महत्वपूर्ण सवाल यह है कि बैंकों को हम कहां तक ले जायें यह कह कर कि बैंक बिना कोलेटरल के खतरा मोल लें और इसको एडवांस्ड करें

बिना किसी सेक्योरिटी के। उसमें आज के दिन एक बैलेंस्ड व्यु लिया गया है और यह तय किया गया है कि हम पांच लाख तक बिना कोलेटरल परमीशन के ...(व्यवधान)...

श्री जीवन राय: यह किसी को नहीं मिल रहा है। पांच लाख नहीं मिल रहा है। ...(व्यवधान)...

श्री यशवंत सिन्हा: वह तो मिल रहा है, उसकी जानकारी आपको नहीं है, दिक्कत तो यही है। ...(व्यवधान)... सभापति महोदय, जो 55 हजार करोड़ रुपया बैंक क्रेडिट आउट स्टैंडिंग है वह किसके पास है...(व्यवधान)...

SHRI JIBON ROY: We have checked up from the banks. A meeting was also held in Chennai. No bank is giving such loans.

श्री यशवंत सिन्हा: वह स्माल स्केल के पास है। एक साथ एक ही झाड़ू से बुहार देना कि कुछ नहीं हो रहा है, यह सही नहीं होगा। मैं यह कहना चाहूंगा कि सरकार बहुत संवेदनशीलता के साथ छोटे उद्योगों की समस्याओं के बारे में जानकारी रखती है, उनसे सहानुभूति रखती है और समय-समय पर जिसमें कि 30 अगस्त, 2000 एक बहुत ही ऐतिहासिक दिन था उस दिन प्रधान मंत्री जी ने पूरे स्माल स्केल के लिए एक पैकेज की घोषणा की थी। उसमें कपूर कमेटी ने और बाकी कमेटियों ने जितनी सिफारिशें की हैं, हमने उनसे बहुत आगे बढ़कर दिया है। सभापति महोदय, मैं आज यहां पर जिक्र करना चाहूंगा और आपको याद होगा, सदन को भी याद होगा कि जहां तक ऐक्साइज़ ड्यूटी का सवाल है, 1998 तक मात्र तीस लाख रुपये तक की छूट स्मॉल स्केल को थी, उसको आज के दिन बढ़ाकर हमने एक करोड़ किया। इसमें हमारे राजस्व का घाटा हो रहा है लेकिन स्मॉल स्केल को प्रोत्साहित करने के लिए इतना बड़ा कदम सरकार ने उठाया है। यह दूसरी बात है कि और कई प्रकार की समस्याएं हैं। आज एक चुनौती का क्षण है। जैसा सारे उद्योगों के लिए है, वैसे ही स्मॉल स्केल के लिए भी आज चुनौती का क्षण है। इसके अतिरिक्त यहां पर डब्ल्यू.टी.ओ. की बात कही गयी। मात्रात्मक प्रतिबंध खत्म हो गया है। देश की अर्थव्यवस्था खुल गयी है। उसके चलते हर प्रकार की इकनॉमिक ऐक्टीविटी में आज हमें प्रतिस्पर्धा का मुकाबला करना पड़ रहा है। इसीलिए स्मॉल स्केल को भी करना पड़ रहा है। ...(व्यवधान)...

श्री प्रेमचन्द गुप्ता: सर, एक प्रैक्टीकल प्रॉब्लम देखनी होगी। स्मॉल एंटरप्रीनियोर कहां से कालैट्रल लेकर आएगा। जो बारोइंग करेगा, उसकी ऐसेट्स तो बैंक को मॉडगेज रखी ही जाएंगी।

श्री सभापति: बस हो गया। श्री मनोज भट्टाचार्य।

SHRI MANOJ BHATTACHARYA: Sir, I would like to ask the hon. Finance Minister whether he feels that the situation, in relation to the small-scale sector,

in 1998-99 and as of today, is the same. this is part(a) of my question.

Part(b) of my question is this. Sir, it is quite paradoxical to note that while the hon. colleague of Mr. Yashwant Sinha has said that the growth rate of the small-scale sector has gone up, in the last Session, the Minister in charge of small-scale industries, Smt. Vasundhara Raje, had reported that more than 3 lakh small-scale industries were closed down during the last three years. This is quite paradoxical. This should be made clear. According to me, the attitude of the Government, insofar as the small-scale sector is concerned is quite discriminatroy. It is a fact that—I have also mentioned it—even after the Gujarat Earthquake, the relief given to the big and medium industries was much more, compared to the relief given to the smallscale industries. So, I would like to know whether the government feels—in this exceptional situation, when the Quantitative Restriction on 1429 items have been removed—that some extra-special arrangements should be made for the protection and promotion of small-scale industries, where a large majority of our workforce is earning its livelihood. So, some special measures have to be envisaged. I want to know whether the Government or the hon. Minister concerned, in the Ministry of Finance, feels very strongly that some special measures are to be taken; not just conventional measures. You are talking about some conventional measures, and some cosmetic changes in the conventional measures, wheares the situation is such which is to be addressed on a war-footing, and for which some special protections have to be given. I want to know whether the Government is thinking in this direction or not.

SHRI YASHWANT SINHA: Sir, first of all, let me clarify that the measures which the Government has announced, over a period of time, including the package of 30th August, 2000, are not cosmetic. Sir, I will strongly join issue with the hon. Member on this score, because raising—just one example—the excise duty exemption from Rs. 30 lakhs to Rs. 1 crore cannot be described as cosmetic. How is it cosmetic? It is more than 100 per cent. Sir, we are acutely aware of the fact that the small-scale sector is facing competition. They are facing competition on the soil of India, though I must say that the small-scale sector has the strength. Something like 38-39 per cent of our total exports are contributed by the small-scale sector, which demonstrates the strength of the SSI sector, even as far as the global situation is concerned, global competition is concerned. But we have now to face competition at home, because Quantitative Restrictions have been removed, and because the Government has been acutely aware of this impending competitive situation. Therefore, as I

have already said, the Government has taken a number of steps, including financing of the small-scale sector. A much more liberal financing norms are now being invoked than they were done before. These include fiscal measures where tax concessions have been made available to the small-scale sector on a much wider scale than in the past. So, we are helping the small scale sector to face competition.

The hon. Members have also raised the issue of the Gujarat earthquake. Here again I would like to correct the impression. In fact, my colleague, Mr. Vikhe-Patil, had personally gone to Gujarat and held a meeting with the banks to find out what exactly has to be done to help, the small-scale sector. As far as the question of giving tax concession to the SSI units in the Gujarat earthquake area is concerned, here I would like to point out that the SSI sector is already getting these concessions. If concessions are yet to be given, they are to be given to the medium and large industries. So, it is not correct to say that we are not aware of the problem and that we have not taken active steps. Sir, the Government has taken a number of steps. In regard to the small-scale sector, we have got the figures to show that in absolute terms everything is going up. Even in percentage terms there is no trend to show that the sickness is going up. It is not borne out by the figures that the Government has.

SHRI S. R. BOMMAI: Sir, the hon. Minister of State for Finance has given figures about the growth rate of SSIs. I would like to know the figures about the death rate of SSIs. In fact, 90 per cent of the SSIs are being closed. The hon. Minister's impression in regard to these figures is different. The figures that we get from the media and other sources show that though the greatest employer and exporter is the small-scale sector, most of its units are now being closed down. The hon. Minister can give us the figures yearwise. I do not want the figures showing the growth rate compared to the medium and heavy industries. I only want figures about the small-scale industries.

Sir, I would also like to know from the hon. Minister whether he is considering reduction in the rate of interest on loans given to the SSIs. I do not say that you give loans without collateral securities. But, I may point out to him that in other countries, the SSIs are getting loans at a very low rate of interest. Since it is very difficult for our small-scale industries to compete not only within the country but also outside, will the hon. Minister consider reducing the rate of interest on loans given to the small-scale industries?

SHRI BALASAHEB VIKHE PATIL: Sir, the incidence of sickness in

percentage terms is going down from 15 in 1991 to 8.24. In absolute terms, while the total number of units was 32.25 lakhs, the total number of sick units was 3.04 lakhs. Therefore, it is wrong to say that in percentage terms the sickness in the SSIs was around 90 per cent. I have also given the figures in absolute terms. Sir, a number of measures have been taken to revive the sick units in the SSI sector and revival package has been given to those units which have got the revival potentiality. The Government has launched a number of schemes in that direction. It has provided differential rate of interest to help the sick units and those which have the potentiality to get revived. There are several other schemes to help them. So, the Government is very much concerned not only about the SSIs, but also about the revival of the sick units. Therefore, revival packages are offered.

As far as their growth is concerned, in 1995-96, the average growth rate was 11.4 per cent while the growth rate of the SSIs was 13 per cent. Naturally, the general growth rate of an industry is always less. But the total growth rate is higher. The SSI growth rate in 1995-96 was 11.60 per cent, in 1996-97 it was 11.32 per cent, against 6.1 per cent, in 1997-98 it was 8.33 per cent, against 6.7 per cent. In 1998-99, it was 7.70 per cent, against 4.1 per cent. Later on, it was 8.16 per cent, against 6.6 per cent; and 8.09 per cent, against 4.9 per cent. So, this is the evidence. This shows that they are fighting among themselves. It is not the corporates sector to expect something. They are the real persons. They want to survive among themselves. The labour productivity here is much more than any other sector. This is the actual picture.

SHRI YASHWANT SINHA: Mr. Chairman, Sir, regarding the rate of interest which the Member has raised, I would like to clarify that while at the lower end, the banks are encouraged to lend at PLR to the small-scale sector; in the case of sick industries, as my colleague has explained, they can even go below the PLR. The interest rates in this country are now deregulated, and the Government has no intention of regulating it back. As far as the interest rates are concerned, it is left to the banks to judge the worthiness of its clients and decide the interest rate accordingly. Sir, that policy will continue.

श्री एस. एस. अहलुवालिया: सभापति जी, मैं आपके माध्यम से मंत्री महोदय से जानना चाहूंगा कि आई.डी.बी.आई. की स्थापना इंडस्ट्रियल डेवलेपमेंट बैंक ऑफ इंडिया के रूप में और सिडबी की स्थापना स्मॉल इंडस्ट्री डेवलेपमेंट बैंक ऑफ इंडिया के रूप में की गई। पहले इनका सीधा संपर्क स्टेट फाइनेंशियल कॉर्पोरेशन से होता था। स्टेट फाइनेंशियल कारपोरेशन जो लोन देती थी उसे ये संस्थाएं रिफाइनेंस करती थीं और कर्ज लेने वाले एंटरपेन्योर को सस्ती दर पर टर्म लोन मिला

करता था पर आज एस.एफ.सी. सारे हिन्दुस्तान में करीब-करीब डिफंक्ट हो गई और अब कर्ज लेने के लिए टर्म लोन बैंक से लेना पड़ता है। बैंक में टर्म लोन का रेट ऑफ इंट्रस्ट बहुत हाई है तथा साथ ही जो वर्किंग कैपिटल लोन है वह भी बैंक से नहीं मिलता है। अगर टर्म लोन एस.एफ.सी. या किसी और संस्था से लिया गया हो तथा जब बैंक से वर्किंग कैपिटल की मांग की जाती है तो नहीं मिलता है। अभी-अभी मंत्री महोदय ने बताया कि एस.एस.आई. की लिमिट एक करोड़ तक कर दी गई है। मैं तब से स्मॉल स्केल इंडस्ट्री को वॉच कर रहा हूं जब इसकी लिमिट तीन लाख रुपये थी। फिर पांच लाख हुई, फिर दस लाख, फिर पंद्रह लाख, पच्चीस लाख, पचास लाख, तीन करोड़ फिर एक करोड़ हुई। आज की अवस्था में लाखों की संख्या में स्मॉल स्केल इंडस्ट्रीज बंद हो रही हैं जिसका मूल कारण हाई कोस्ट ऑफ प्रोडक्शन है। हाई कोस्ट ऑफ प्रोडक्शन में बहुत बड़ा हिस्सा रेट ऑफ इंट्रस्ट का है। मंत्री महोदय ने एस.एल. कपूर कमेटी को रिकमैंड करने के लिए जो मैंडेट दिया था क्या उस पर एस.एल. कपूर कमेटी ने गौर फरमाया है? 1 अप्रैल, 2002 से जब वर्ल्ड ट्रेड ऑर्गेनाइजेशन ऑपरेट हो जाएगा और उसके बाद से बाहर का माल, कंज्यूमर प्रोडक्ट हिंदुस्तान आने लगेगा तो हमारे एस.एस.आई. के एंटरपेन्योर उनसे कैसे कम्पीट करेंगे? क्योंकि रोजगार एस.एस.आई. में ज्यादा है और यह स्वरोजगार के रूप में भी जाना जाता है इसलिए उनसे कम्पीट करने के लिए क्या आपने किसी को चाइना, इंडोनेशिया या मलेशिया भेजकर कुछ पता लगाया है कि किस तरह के प्रावधान उन्होंने रखे हैं जिसके कारण उनका कोस्ट ऑफ प्रोडक्शन कम है जिसके कारण कम्पीटीशन मार्किट में वे बहुत आगे हैं और हम बहुत पीछे हैं? उनका सामना करने के लिए हमारी क्या तैयारी है?

श्री बालासाहेब विखे पाटील: सभापति जी, हकीकत में 1991 में एस.एस.आई. का जो क्रेडिट था वह सब मिलकर 16,783 करोड़ था। 1999 में 42,674 रहा अर्थात् 15.9 से 17.3 हो गया है। अभी उसका टोटल क्रेडिट 48,445 है Naturally, it is growing. Banks are free, अभी मंत्री जी ने कहा कि उन्हें क्रेडिट देना है तो वह बिलो पी.एल.आर. रेट भी दे सकते हैं। To encourage the flow of credit to the tiny sector, banks are required to ensure that 60 per cent of the advances are made available to the tiny sector. It is not only the SSI sector. We have integrated the tiny, cottage and SSI sectors. आपका कहना ठीक है कि पहले सिडवी आईडीबीआई के साथ जुड़ी हुई थी, अब सिडबी अलग हो गई है। सिडबी ने नाइंथ फाइव एयर प्लान में 25 हजार करोड़ रुपए ऋण दिया था जब कि उनका टारगेट 66 थाउन्जेंट एंड समथिंग था। यह बात सही है कि दुनिया में बहुत कंपीटीशन चल रहा है। आप देखिए कि how China is doing. At the same time, I must place before the House that under the credit-linked capital subsidy scheme for technology upgradation, 10 per cent of the loan amount is provided as subsidy for technology upgradation, for specific action, which is a popular item. Naturally, we are concerned with it. If there is a suggestion from the hon. Member as to the application of the Chinese system,

we cannot compare china's political system and India's political system. It is very difficult. We can assess the situation, but, at the same time, we cannot implement the Chinese model straightway in the Indian conditions. If the Member thinks we can implement the Chinese model as it is, I do not think it is possible. *(Interruptions)*.

SHRI S.S. AHLUWALIA: I am saying that you can assess the Chinese market and see how you can adopt it to the Indian conditions. *(Interruptions)*.

MR. CHAIRMAN: One question has taken 35 minutes. *(Interruptions)*. You can have a debate on that. I think it is important. Now, the next question.

उत्तर प्रदेश में तेल भंडार

*202. **श्री जनेश्वर मिश्र:** क्या पेट्रोलियम और प्राकृतिक गैस मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि उत्तर प्रदेश में अपार तेल/गैस भंडार होने का पता चला है;

(ख) यदि हां, तो तत्संबंधी ब्यौरा क्या है;

(ग) क्या यह भी सच है कि सरकार तेल एवं गैस की निकासी और वितरण का कार्य निजी क्षेत्र को सौंपने पर विचार कर रही है; और

(घ) यदि हां, तो तत्संबंधी ब्यौरा क्या है?

पेट्रोलियम और प्राकृतिक गैस मंत्री (श्री राम नाईक): (क) से (घ) सदन के पटल पर एक विवरण रख दिया गया है।

विवरण

(क) से (घ) हाइड्रोकार्बनों के वाणिज्यिक भंडारों की अभी तक उत्तर प्रदेश राज्य में खोज नहीं हो पाई है।

तथापि, देश में अन्वेषण प्रयासों की गति तेज करने के लिए सरकार ने फरवरी, 1997 में एक नई अन्वेषण लाइसेंसिंग नीति (एन ई एल पी) अनुमोदित कर दी और इसके तहत हाईड्रोकार्बनों के अन्वेषण के कार्यों में प्रतिभागिता के लिए सार्वजनिक और निजी दोनों क्षेत्रों के बोलीदाताओं को अनेक आकर्षक वित्तीय और संविदागत निबंधन प्रदान किए। इस नीति के अंतर्गत कम्पनियों को संविदा क्षेत्र से उत्पादित तेल और गैस का घरेलू बाजार में विपणन करने की स्वतंत्रता है। उत्तर प्रदेश